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Consumer Protection Bureau

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Department of Financial Institutions, Companies and Cooperatives

FIRST ANNUAL REPORT

AS AT DECEMBER 31, 1972

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Consumer Protection Bureau

Department of Financial Institutions, Companies and Cooperatives

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FIRST ANNUAL REPORT

AS AT DECEMBER 31, 1972

With great pleasure I present this first official report of the Consumer Protection Bureau.

This report gives an excellent idea of the efforts undertaken by the Government to provide Québec consumers with adequate protection. I would like to congratulate the employees of the Consumer Protection Bureau and thank them for their unfailing contribution which has made possible such impressive results. I wish also to mention the cooperation and vigilant work of the other services of the Department of Financial Institutions, Companies and Cooperatives.

In point of fact, several services of the Department have extended their own scope of activities to include some measure of consumer protection. As example, in 1972 the Insurance Service of Montreal was called upon to process some 7,000 complaints; the Securities Commission and the Real Estate Service also had to assume extra work when several hundreds of complaints were directed to their offices in the course of the year.

I would like to express my gratitude once again to the representatives of mass media who have supported us so well at various conferences and lectures (some 104 given by the personnel of the Bureau)and at numerous information campaigns which were conducted despite a limited budget.

It may be too soon to speak of a newly-acquired consumer awareness but I believe that the joint efforts of the Government, the Consumer Protection Bureau and Council, the media and various consumers associations will cause the people of Québec to become aware of their individual and collective responsibilities in keeping with the new tendencies of our society.

This sense of responsibilities seems to me essential: if we can witness its emergence, thanks to the above-mentioned organizations, much remains to be done. It is to be hoped that the imminent opening of five (5) regional offices will be another step towards this goal.

Moreover, a major component of the Bureau's activities is the processing of complaints from consumers: the Montreal offices get more than 400 of them daily and Québec 200. I believe it is essential that a preventive dimension should be given to this important work.

The implementation of the Consumer Protection Council marks another step in that direction; I would like to mention also that the adoption of the regulation respecting advertising intended for children follows the same objective with its deep insight, and because it is the first of its kind in North America.

In addition, the fight conducted by the Consumer Protection Bureau against the various pyramid sales systems, whatever forms they may adopt, is another evidence that this prevention has become needed. Actually, prevention is possible only if the consumer assumes his responsibilities and by so doing helps us protect him better.

In order to prove this adequately, I would like to mention two cases which came up: a politician and a professor subscribed $1,500 each to a plan promoted by Inspiration & Success and this, despite the advertising and numerous advertisements we had made. Our message must therefore impress the fact that each and everyone must assume his own responsibilities because we cannot regulate, even partially, the daily behaviour of consumers.

WILLIAM TETLEY
Minister of Financial Institutions,
Companies and Cooperatives

Québec, March 8, 1973

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CHAPTER I

HISTORICAL ACCOUNT

After a period of preparation which took some years, the first Bill 45 was tabled before the Québec National Assembly in November 1970.

This bill, contemplating consumer protection, was a controversial issue with consumers and merchants associations and, upon general request, the majority of the members of the National Assembly agreeing, it was referred to the Parliamentary Committee of the Department of Financial Institutions, Companies and Cooperatives for further study.

This Committee convened in December 1970 and in January and February 1971. Nearly 45 reports were filed with this Committee, sent by more than 60 groups and associations.

These reports were put together and studied in depth; (see schedule "A") certain recommendations were maintained, others were discarded for reasons which were given in each case. A new bill, bearing the same number 45, was tabled before the Committee on Legislation to be thoroughly analyzed and it was tabled before the National Assembly in June 1971 by the Minister of Financial Institutions; after study, it was assented to July 14, 1971.

The Consumer Protection Act came into force progressively, beginning July 21, 1971.

As at September 30, 1972, the various divisions of the Act and the general regulation were in force, except for Section 124 which came into force January 1, 1973. This Section specifies that the cooperative agricultural associations, cooperative associations, savings and credit unions and cooperative syndicates are subject to the Consumer Protection Act.

SCHEDULE "A"

List of the reports submitted to the Parliamentary Committee on Financial Institutions, Companies and Cooperatives concerning the Consumer Protection Bill (Bill 45).

The Province of Québec Chamber of Commerce

The Civil Code Revision Office

The Provincial Automobile Dealers Association of Québec

Common front including the Confederation of National Trade Union, "la Fédération des A.C.E.F. du Québec", the Québec Federation of Labour, the Council of Health and Social Services for Metropolitan Montreal, "l'Institut de promotion des intérêts du Consommateur", "le Mouvement pour l'abolition de la publicité aux enfants", the Québec Teachers Association, "la Fédération des services sociaux à la famille" and "la Société nationale des Québécois de Chicoutimi"

Québec Employers Council

Canadian Manufacturers Association

"le Conseil de la coopération du Québec"

The Montreal Board of Trade

Familex Products Ltd.

"le Centre de psychologie et de pédagogie"

Industrial Acceptance Corp. Ltd.

Québec Bar Association

Imperial Oil Ltd.

Automobile Protection Association

Canadian Consumer Loan Association

Gulf Oil Canada Ltd.

Québec Propane Inc.

Retail Council of Canada

"Parti Québécois"

Grolier Enterprises

Shell Canada Limited

"Association des directeurs de crédit du Québec"

Insurance Bureau of Canada

Insurance Brokers Association of the Province of Québec

Mr. François-Albert Angers - "Société St-Jean Baptiste de Montreal"

"l'Association Professionnelle des voyageurs de commerce du Canada Inc."

Québec Provincial Home Builders Association Inc.

Collection Agencies

"les Editions Françaises Inc."

Sun Oil Company Limited

"l'Association de Vente à Domicile"

Consumers Association of Canada (Québec)

Avon Products of Canada Ltd.

Royal Bank

Saladmaster Co.

"la Fédération des Sociétés de Financement"

Better Business Bureau of Montréal

"l'Association féminine d'éducation et d'action sociale"

Family Service Association of Montreal

Texaco Canada Limited

The Montreal Board of Trade

Financial Collection Agencies Ltd.

"Union des employés de Commerce F.T.Q."

"Bureau de normalisation"

Mr. Trebilcock - Professeur of Law - McGill University

Messrs. Lazare, Motola & Osborne

"Fédération des consommatrices du Québec Inc."

CHAPTER II

DUTIES OF THE BUREAU

1) Complaints
2) Permits
3) Information and advertising
4) Pyramid sales

(1) COMPLAINTS

From the moment the Bureau opened its offices and until December 31, 1972, some 6,016 files have been opened from written complaints received.

Complaints received from the beginning, until December 31, 1972

Montreal	3,072
Québec	2,944
TOTAL:	6,016

Complaints received from January 1, 1972, to December 31, 1972

Montreal	2,346
Québec	1,381
TOTAL:	3,727

More than 80% of these complaints referred to sectors of activity not contemplated by the Consumer Protection Act and concerning which we had basically no competence or authority.

Major sectors not governed by the Act

(1) Automobile
   (a) repair
   (b) sale
   (c) cost of repair

(2) Purchases of furniture and electrical appliances (sedentary salesman)

(a) delivery
(b) warranty

(3) Teaching

We have nonetheless attempted to help consumers in distress acting as intermediary in negotiations between the merchants involved and the consumers to reach a satisfactory agreement.

The nature of the complaints has differed somewhat with time as consumers have become better informed of the provisions of the Act. We still receive numerous complaints for which we are helpless because the nature of the contract or the object of the complaint is not governed by the Consumer Protection Act.

In this category belong the sectors of automobile sales and repairs, cash sales made by sedentary salemen, especially in the field of furniture and repair of electrical appliances.

During 1972, our Montreal office received some 51,705 telephone calls requesting information. Our Québec office started keeping a record of calls only in January 1973.

Calls received by the Montreal office as at December 31, 1972

January	1,969
February	2,854
March	3,533
April	1,935
May	3,364
June	3,766
July	4,069
August	5,890
September	6,070
October	6,760
November	6,731
December	4,764
TOTAL:	51,705

In this field of activities, the consumers were given all pertinent facts concerning their complaints. Often, this meant explaining how the Consumer Protection Act applied to the particular problem submitted. From that point, either a file was opened on the case or the appeal was forwarded to the proper government service or else, as is often the case, the clerks of this service must confess they cannot provide any help because no legislative provision or regulation exists on that matter.

During that same period, more than 2,000 visitors came to our offices in Montreal and Québec. These figures date back to March 1972 when the office first started keeping a record. The Québec office for its part received more than 400 visitors.

Visits to the Montreal office in 1972

January	number unknown
February	number unknown
March	25
April	109
May	147
June	137
July	186
August	230
September	202
October	206
November	222
December	121
TOTAL:	1,589

According to our files of the complaints received, we can state that we have helped consumers retrieve or save an important amount of money. In addition, the advice and information we were able to supply have helped the consumers and prevented them from investing additional money in doubtful transactions.

A first analysis indicates that consumers do not know that the Consumer Protection Act and its General Regulation exist and if they know, their information is limited. Hence the imperious necessity to supply this information as soon as possible to the people.

In the last months of the period mentioned, the number of complaints concerning which the Consumers Protection Act can actually be of help has increased markedly. On the other hand the number of complaints dealing with sectors not covered by the Act or about which the Act makes no reference has remained practically the same with a slight tendency to increase.

It has also become urgent to take the necessary steps so that consumers from outside the metropolitan regions of Montreal and Québec can avail themselves of the services of the Consumer Protection Bureau. A study of the origin of the complaints indicates that consumers living in those regions do not take advantage of our services as they could or if they do, the residents of Montreal and Québec still get the lion's share.

The following table of the files of complaints received during the period extending from January to December 1972 illustrates the above statement very clearly:

REGIONS		FILES
No 1 -	Lower St. Lawrence - Gaspé	161
No 2 -	Saguenay - Lake St. John	196
No 3 -	Québec	742
No 4 -	Trois-Rivières	170
No 5 -	Eastern Townships	94
No 6 -	Montreal	2,060
No 7 -	Ottawa	112
No 8 -	North West	46
No 9 -	North Shore	93
No 10 -	New Québec	3
	Outside Québec	50
	TOTAL:	3,727

(2) PERMITS

The coming into force, on April 1, 1972, of Division X of the Consumer Protection Act, compelling itinerant vendors and used automobile vendors to get a permit in order to carry on business in Québec, proved to be the major event for the sector concerned with permits.

As at December 31, 1972, the Service responsible for the permits had issued 542 itinerant vendor permits for some 31,360 representatives, and 1,925 used automobile vendor permits. Duties received for the issue of these permits amounted to $61,400 and $166,210 respectively.

Permits issued as per administrative regions:

REGIONS		I.V.	U.A.V.	TOTAL
No 1	Lower St. Lawrence - Gaspé	14	86	100
No 2	Saguenay - Lake St. John	13	88	101
No 3	Québec	84	381	465
No 4	Trois-Rivières	39	197	236
No 5	Eastern Townships	27	97	124
No 6	Montreal	346	883	1,229
No 7	Ottawa	6	81	87
No 8	North West	12	76	88
No 9	North Shore	1	36	37
No 10	New Québec	-	-	-
		542	1,925	2,467

The following table gives the number of permits issued, on a monthly basis.

MONTH	I.V.	U.A.V.	TOTAL
April	86	872	958
May	75	228	303
June	54	172	226
July	48	149	197
August	85	188	273
September	62	94	156
October	55	96	151
November	40	101	141
December	37	25	62
TOTAL:	542	1,925	2,467

During the year, the Service answered approximately 6,000 telephone calls and sent more than 18,000 correspondence items. It must be mentioned also that 95 per cent of the application forms for permits filed with the Bureau had to be returned to the applicants because they were not properly completed, either because certain requested details were missing or the security and duties required under the regulation had not been included, or else the documents needed in certain cases such as a list showing the name, address occupation and social insurance number of every representative, a copy of the latest return filed under the Companies information Act, or a copy of the writing incorporating the

applicant and a list showing the name, address, occupation and social insurance number of the partners, directors and officers had been omitted.

The Service sent 4,507 Application for Itinerant Vendor's Permits in answer to requests received by telephone or by mail, and with the help of various lists of dealers such as: manufacturers specializing in direct sale, pedlers and product salesmen, holders of licenses issued by the cities of Québec and Montreal. For every one of these dealers, a file was opened and classified alphabetically. It gives the name, address, type of goods sold and the dates when one or several notices were sent by the Service about the permits needed for every merchant whose activities are those of an itinerant vendor within the meaning of the Act.

The total number of Application for Used Automobile Vendor's forms sent by mail by the Service reached 12,463. In February, 4,609 forms had been sent to holders of a dealer's licence registered with the Motor Vehicle Bureau of the Department of Transport. Another 3,172 forms were mailed in the week of June 19, followed by 2,204, on December 11.

(3) INFORMATION TO THE PEOPLE

(A) Besides supervising the application of the Consumer Protection Act, the Bureau must protect, educate and inform the consumer. In order to achieve this, a $60,000 advertising budget was granted to the Bureau by the Department of Financial Institutions, Companies and Cooperatives.

Thanks to the cooperation of the Press, the Consumer Protection Act received wide publication by means of articles in the newspapers (see Schedule "B").

SCHEDULE "B"

List "A" Dailies

Name	Place	Number of articles published
Le Soleil	Québec	36
L'Action	Québec	25
Le Journal de Québec	Québec	4
Le Nouvelliste	Trois-Rivières	12
La Tribune	Sherbrooke	13
Le Droit	Ottawa	6
La Presse	Montreal	9
Le Devoir	Montreal	13
Journal de Montréal	Montreal	2
Montréal-Matin	Montreal	11
The Montreal Star	Montreal	7
The Gazette	Montreal	5
Globe and Mail	Toronto	3

List "B" Weeklies

Name	Place	Number of articles published
Dimanche-Matin	Montreal	7
Les Affaires	Montreal	3
Les Enseignants	Montreal	1
Québec-Presse	Montreal	1
Gazette Business Revue	Montreal	1
Chronicle Telegraph	Québec	2
Progrès-Dimanche	Chicoutimi	3
Financial Times	Toronto	1
Financial Post	Toronto	2

List "C" Monthlies or Bi-monthlies

Name	Place	Number of articles published
"Maintenant" Magazine	Montreal	1
A.C.C. Magazine	Montreal	1
"Le Barreau" Magazine	Montreal	1
Ensemble	Québec	1
"Caisses Populaires" Magazine	Lévis	1
Sélection du Reader's Digest (Article on Consumer Protection)		

(B) PUBLICATIONS OF THE BUREAU

With the cooperation of the Public Relations Service, the Bureau ran advertisements in all dailies and weeklies of the Province of Québec on the following subjects:

(1) Notice to merchants concerning trust funds.

(2) Notice to consumers concerning itinerant vendors.

(3) Notice to consumers concerning used automobile vendors.

(4) "Get your application for permit form" (this spot-announcement was broadcast by all radio stations in the Province).

(5) Another campaign, "Promotion & Success Ltd", was featured in all daily newspapers of the Eastern Townships, the weeklies of Gaspé and the radio stations of these same regions.

In all, six advertising campaigns were conducted across the province; here is the breakdown:

1. advertisements in Le Soleil (2);
2. 6 advertising campaigns:

(1) Promotion & Success Ltd:

(2 insertions in Eastern Townships dailies, Gaspé weeklies, the radio stations of these same regions; from 5 to 8 spot-announcements by all radio stations of these same regions);

(2) Get your application for permit form:

(3 insertions in all dailies, major weeklies, weekend magazines, 5 spot-announcements by all radio stations);

(3) Notice to merchants concerning trust funds:

(1 insertion in all dailies, major weeklies and weekend magazines);

(4) Notice to consumers concerning itinerant vendors:

(2 insertions in dailies, weeklies, weekend magazines and other);

(5) Notice to consumers concerning used automobile vendors:

(1 insertion in dailies, weeklies, weekend magazines and other);

(6) Notice to merchants concerning the coming into force of the sections governing contracts:

(3 insertions in dailies, major weeklies magazines and other).

The first publication to be released by the Bureau is a folder entitled "Une pia$tre, c'est une pia$tre", 1,325,000 copies were printed in French and 275,000 in the English version "Find out the facts".

Another folder "Avant de signer, consommateurs, renseignez-vous" was published: 500,000 copies in French and 100,000 in the English version "Before signing, Consumers inquire".

The Office also prepared a booklet, "Consommateurs, si l'on frappe à votre porte": 500,000 copies were published in French and 100,000 in the English version, "Consumers, if someone knocks at your door".

These three publications were distributed among the general public mainly through savings and credit unions and other financial institutions. Requests by mail, telephone, or made on the occasion of a visit to the offices helped us distribute information and reference publications. Two additional booklets are being prepared "Si vous passez un contrat" and "Si vous empruntez ou achetez à crédit".

Lastly, the Bureau tried an experiment in the audio-visual field, with a tape-recorded interview and sketches produced with the help of Radio-Québec and the Hull office of Communication Québec.

(C) CONFERENCES, LECTURES, SEMINARS - RADIO AND TELEVISION

The professionals of the Bureau, were often invited to speak before members of various organizations interested to learn about the Consumer Protection Act to promote it in their own milieu (see Schedule "C").

The Bureau was always happy to prepare these conferences and on many occasions the speakers travelled far to spread our message to consumers.

SCHEDULE "C"

CONFERENCES, LECTURES, SEMINARS - RADIO AND TELEVISION

Since its early days, the Consumer Protection Bureau has increasingly cooperated with groups, organizations and associations outside the Government.

Hence:

(1) conferences, lectures	104
(2) radio programs	14
(3) television programs	18

Representatives of the Bureau:

Luc Laurin	76
Jean-Louis Paquet	5
Louis Ladouceur	11
William Atkins	20
Jacques Belle-Isle	1
Gérard Barbeau	2
Freddy Henderson	8
Michel Savard	1
Raymond-G. Faucher	2
Roger Grenier	10
Maurice Marquis	-
	136

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

LUC LAURIN

1971

August 3 - Radio Station CKAC - "Point du Jour" - Hot-Line - Montreal

Sept. 13 - Radio Station CBF - "Consommateurs" - Montreal

Sept. 14 - TV Québec Channel 4 - "Affaires Publiques" - Hot-Line

Sept. 22 - Cooprix - Loretteville

Oct. 4 - Château Frontenac - Publicité Club - Québec

Oct. 20 - "Association des marchands d'automobiles" - Québec

Oct. 28 - CBF TV - "Consommateurs Avertis" - Montreal

Oct. 30 - Poste CKAC - Hot-Line - Montreal

Nov. 1 - Board of Trade - Montreal

Nov. 9 - "Directeurs de Crédit de la région de Québec" - Québec

Nov. 15 - "Caisse Populaire St-François d'Assise - Montreal

Nov. 18 - "Institut canadien du Crédit" - Montreal

Nov. 24 - Fashion Show - Eaton - Montreal

Dec. 2 - TV Radio-Canada - "Format 30" - Montreal

Dec. 6 - "Les représentants de service de Ford Motor du Canada" - Dorval

Dec. 9 - American Society of Quality Control - Dorval

Dec. 14 - "Caisse Populaire Notre-Dame du Rosaire"

Dec. 16 - Channel 10 - "Pour vous, Mesdames" - Montreal

LUC LAURIN

1972

Jan. 6 - Poste CKLM - Hot-Line

Jan. 12 - "Section Les Artisans et Chevaliers de Colomb - Laval des Prairies

Jan. 15 - "Chambre de Commerce" - Ville Mercier

Jan. 19 - "Foyers Notre-Dame" - Lachine

Feb. 8 - Recreation Lounge Rockhill Apt. - Jack London

Feb. 12 - Poste CKVL - Mrs Letecheur - Hot-Line

Feb. 14 - Radio-Québec - "Film pour le ministère des Affaires sociales"

Feb. 17 - "Ecole André Laurendeau"- St-Hubert

Feb. 28 - Sir George Williams University

March 1 - "Association du Couvre-Plancher - Rest. Le Réveillon" - Montreal

March 13- "Les Artisans Coop-Vies - Chefs de Sections"

March 27- Hunter-Douglas Ltd - "Vendeurs de revêtement de maisons" - Dorval

March 29- Floor Covering Association - Dorval

April 10- "Caisse Populaire de Ville d'Anjou"

April 12- "Couples et Familles" - Verdun

April 18- "Les Artisans" - Repentigny

April 25- "Les Artisans" - Chambly

April 26- "Association des Consommateurs du Canada" - Trois-Rivières (Congrès)

May 3 - "Les Artisans" - Varennes

May 13 - "Salon de la Femme" - Place Bonaventure - Colloque

LUC LAURIN

1972 (cont'd)

May 15 - "Les Artisans" - Ste-Geneviève de Pierrefonds

May 17 - "Les Artisans" - Sous-sol de l'Eglise Barthélemy

May 23 - Radio-Canada - "Consommateurs avertis" - Montreal

May 24 - "Les Artisans" - Salle St-Ambroise

June 11 - "Chevaliers de Colomb et Les Artisans" - Warwick

Juin 13 - "Les Artisans et la Caisse Populaire de St-Esprit

June 28 - CFCF-TV - Mr. Winter

July 31 - "Emission "PRESENT" Radio-Canada"

Aug. 3 - CKVL - Hot-Line - Radio

Aug. 3 - Channel 10 TV Metropole - Andréanne Bournival

Aug. 7 - "Salon du Meuble" - Place Bonaventure

Aug. 15 - "Office Franco-Québécois - Hôtel Iroquois" - Montreal

Aug. 22 - "Journée d'étude à Lennoxville - Femmes d'agriculteurs"

Sept. 12- T.V. Radio-Canada - "Initiation de la Femme à la Vie Economique

Sept. 12- AFEAS - "Les Artisans" - Eglise Ste-Famille

Sept. 14- "Femmes d'Agriculteurs - Ministère de l'Agriculture" - Granby

Sept. 15- T.V. Metropole - Channel 10 - "CHOC DES IDEES"

Sept. 22- T.V. Channel 12 - "Hot-Line" - Mrs Lambeck

Sept. 27- "Direction Régionale des Communications Sherbrooke "COMMUNICATIONS-QUEBEC-SHERBROOKE"

1:00 : Radio "CJRS" Emission "YVON FRENETTE VOUS ECOUTE"

2:30 : "CHLT" Television - "Enregistrement des nouvelles" - Interview

LUC LAURIN

1972 (cont'd)

Sept. 27 - 3:10 p.m. CHLT Television
Program "Les Enfants Terribles"

4:00 p.m. RADIO APALACHE Network
4 radio stations

4:30 p.m. MAGOG Mutual TV Cable
Thetford-Mines
Lac Mégantic
Victoriaville
Asbestos
(9-minute interview)

4:30 to 6:00 Introduction
Interview
Hot-Line

Sept. 27 - "Association des Consommateurs du Canada"
St-Jean de Bréboeuf Church - Sherbrooke
Information to the public

Oct. 10 - Repentigny LIONS Conference - Repentigny

Oct. 11 - "Union Régionale des Caisses Populaires Desjardins" - Pont-Viau

Oct. 18 - "Caisse Populaire Desjardins Notre-Dame de la Merci"

Oct. 25 - "Caisse d'Entraide Economique" - Granby

Oct. 25 - "Union Régionale des Caisses Populaires Desjardins" - Sheraton Fontainebleau - Montreal

Oct. 31 - CKLM - Mrs Lise Payette - "Droit au But" - Hot-Line

Nov. 7 - Joliette LIONS Conference - Joliette

Nov. 22 - "Société pour le Progrès de la Rive-Sud"

Nov. 22 - ACEF - Montreal

Nov. 28 - "Union Régionale des Caisses Populaires Desjardins" - Sheraton Fontainebleau - Montreal

Nov. 29 - Chamber of Commerce - Cap-de-la-Madeleine

Nov. 30 - Symposium - Chamber of Commerce

Dec. 12 - St. Maurice Church - Bois-des-Filion

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

FREDDY HENDERSON

1972

May	- 3 radio programs "Le Barreau vous écoute" - Québec
June	- "Association des juges de la Cour Provinciale" - Québec
August	- "Association des producteurs de machinerie agricole" - Drummondville
September	- "Association des professeurs de droit du Québec" - Sherbrooke
October	- "Association des avocats de Province" - Mont Gabriel
November	- "Services juridiques populaires de l'Université Laval" - Québec

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

MICHEL SAVARD

1972

May 3 - CEGEP Ste-Foy - Ste-Foy - Québec

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

ROGER GRENIER

1972

March 27 - Program recorded for "Consommateurs avertis"

March 28 - Palais Montcalm - Québec

March 28 - Meeting with Miss Nicole Beaulieu, from the newspaper l'Action - Québec

March 29 - Hunter Douglas Canada Limited - Holiday Inn - Québec

April 5 - Chamber of Commerce - Rimouski

April 5 - CJBR T.V. Rimouski

April 8 - "Association des Machines Agricoles" - Place Bonaventure - Montreal

May 4 - "Association Provinciale des Marchands d'Automobiles" - Québec

June 19 - "Club Optimiste St-Laurent" - Giffard

June 22 - "Club Rotary de Québec Est" - Motel Le Voyageur - Québec

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

JACQUES BELLE-ISLE

1972

Feb. 20 - "Association Professionnelle des Voyageurs du Canada" - Motel Le Baron - Trois-Rivières

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

JEAN-LOUIS PAQUET

1972

Feb. 17 - "Lancement du Livre - Economie Familiale" - Caisse Populaire St.Sacrement - Québec

Feb. 20 - Panel - "l'Association Coopérative d'Economie Familiale"

April 10 - "Société des Artisans" - Motel Le Carillon - Québec

Oct. 19 - "Association Forestière du Bas St-Laurent" - New Richmond - Bonaventure County

Nov. 24 - "Association des Marchands de Machines Agricoles du Québec" - Ste-Anne de Beaupré - Québec

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

WILLIAM ATKINS

1972

Feb. 1 - Coopérative "La Familiale" - Rimouski

Feb. 14 - "Centre de Réadaptation - Commission des Accidents du Travail" - Boul. Hamel, Québec

Feb. 15 - "Union Régionale des Caisses de Québec" - Chemin Ste-Foy, Québec

March 1 - "Société des Artisans" - Jonquière

March 14 - "Entrevue à la radio" - Victoriaville

March 14 - Conference - "Société des Artisans" - Arthabaska

March 16 - "Cercle de Fermières" - Villeroy, Lotbinière County

April 10 - "Société des Artisans" - Motel Le Carillon - Québec

May 5 - Institut Desjardins - "Union Régionale des Caisses" - Lévis

May 25 - "Société des Artisans" - St-Siméon, Charlevoix County

May 30 - "Coopérative de Duberger, Fédération des Magasins Cooprix" - Boul. Hamel, Duberger

June 10 - "Lancement de la revue "Le Réveil du Consommateur" - Motel Universel, Chemin Ste-Foy, Québec

June 10 - "Société des Artisans" - Ecole St-Pierre, Orsainville, Québec

June 12 - "Chevaliers de Colomb - Conseil Laval" - Québec

June 22 - "Union Régionale des Caisses Populaires" - Rimouski

Aug. 23 - "Association Féminine d'Education et d'Action Sociale" - Grand Séminaire, Campus Laval, Ste-Foy, Québec

WILLIAM ATKINS

1972 (cont'd)

Sept. 12 - CKMI-TV - Interview - Québec

Nov. 6 - "Chevaliers de Colomb - Conseil Laval" - Québec

Nov. 13 - "Société St-Jean-Baptiste - Section Laurentides - Centre des Loisirs" - Charlesbourg, Québec

Nov. 15 - "Commission des Ecoles Catholiques de Montréal - Institut Coopératif Desjardins" - Lévis

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

GERARD BARBEAU

1972

Nov. 14 - "Les Artisans" - Pointe-aux-Trembles

Nov. 22 - "Les Artisans - Local Jacques Viger - Centrale des Artisans"

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

RAYMOND-G. FAUCHER

1972

Oct. 18 - "Les Artisans Coopvie - Presbytère St-Roch"

Nov. 30 - "Club Richelieu - Les Artisans" - Trois-Rivières

EXTRAGOVERNMENTAL ACTIVITIES

as at December 31, 1972

LOUIS LADOUCEUR

1972

Janv. 20 - CEGEP - St-Hyacinthe

Janv. 28 - Ecole Jean-Talon - Montreal

Feb. 16 - Ecole André Laurendeau - St-Hubert

Feb. 28 - "Société St-Vincent de Paul" - St-Léonard de Port-Maurice

April 19 - "Société St-Vincent de Paul" - Repentigny

May 5 - "Centre Marquette - Les Artisans" - Montreal

May 23 - "Les Artisans" - Ville LaSalle

Sept. 16 - Artex Products - Holiday Inn

Oct. 11 - "Les Artisans" - Tingwick

Nov. 20 - "Conférence Ecole St-François" - St-Anne des Plaines

Dec. 18 - Radio Station CKFM - Interview - Hot-Line - Mrs. Suzanne Chapdelaine - Shawinigan

During July and August 1972, the Bureau was represented at the six regional exhibitions held at Matane, Baie Comeau, Rouyn-Noranda, Shawinigan, Saint Georges de Beauce, Chicoutimi and at the Québec Provincial Exhibition. In November 1972, the Consumer Protection Bureau participated in the Consumer's Week at Eaton's in Montreal, and at the International Food and Agriculture Show.

According to our figures, nearly 1,000,000 persons visited these various exhibitions.

(4) PYRAMID SALES

Section 75 of the Consumer Protection Act came into force on July 21, 1971. This provision came to the fore at a time when Québec was faced with the problem of firms carrying on under the cover of an advertising promotion which triggered a chain reaction of the pyramid type.

So, to oppose these activities which contributed to inflation, helped distort the notion of business and increased the number of the victims of false and sometimes fraudulent pretences, this Section 75 séemed a suitable weapon placed in the hands of the Minister of Financial Institutions, Companies and Cooperatives under Section 125, in the hands also of the Director of the Consumer Protection Bureau, under Section 80 and in the hands of the tribunals under Sections 110, 112 and 116 of the Consumer Protection Act.

From this point, it is appropriate to underline briefly the steps and measures which were undertaken, under the Consumer Protection Act, against these systems known as "pyramid sales" or "pyramid loteries".

THE NOTICES

On July 23, 1971, the Director of the Consumer Protection Bureau informed seven business enterprises that Section 75 had come into force and notified them that every activity which did not abide by this provision of the Act should cease immediately. These firms were:

Promotion & Success Limited
Dare to be Great of Canada Limited
Comet & Associates Registered
Le Centre de Motivation Personnelle Laurentien Limitée
Holiday Magic Cosmetics
Compact Agency Inc.
Koscot Interplanetary of Canada

Notice was also sent, on August 3 and 4, 1971, to Rawdon Park Development Ltd. and to Eden of Canada Limited.

And, on August 12, 1971, the firm "Les Etablissements Jobil Ltée" was notified of the coming into force of Section 75.

It must be mentioned that following those notices, four firms agreed to change their systems: one of them got in touch with the Bureau to discuss these changes; another firm intends to visit the Consumer Protection Bureau with its

Counsel to discuss matters. On the other hand, three firms did not acknowledge our notice and a telegram we sent did not reach them.

THE ORDERS

At the administrative level, two orders were issued to corporations operating pyramid sales systems.

The first one dated August 26, 1971, from the Department of Financial Institutions, Companies and Cooperatives ordered the firm Promotion & Success Limited to "stop all activity on the territory of the Province of Québec, under the Consumer Protection Act".

The second one, dated December 7, 1972, was signed by the Acting Director of the Consumer Protection Bureau, ordering Holiday Magic Limited to stop any operation of the pyramid sale type. Holiday Magic appealed before the Provincial Court of the district of Montreal from this order issued under Section 80 of the Act.

At the legal level, on December 9, 1971, Honorable Camille L. Bergeron, Judge of the Superior Court of the district of Rouyn-Noranda enjoined, in file number 11,273 Promotion &

Success Limited, its officers, representatives or employees:

"Under the penalties of the law, to stop all activities whose effect is to directly or indirectly make the grant of a rebate, a payment or other benefit subject to the making of a contract by such person with a third person, whether or not the latter contract is governed by the Consumer Protection Act, whether it is written or verbal, whether it is known as a sale of goods or services, or both together, by reference, multiple level, pyramid system, chain sale or any other similar mode of sale".

THE LEGAL ACTIONS

Legal actions initiated under the Consumer Protection Act with respect to pyramid loteries concern Promotion & Success Limited exclusively and are based upon the infringements of Section 75 and also, upon the refusal to comply either to an order of the Minister of Financial Institutions, Companies and Cooperatives,or to an order of the Court.

THE INFRINGEMENTS

Infringements of Section 75 lead to thirty-five complaints at Rimouski, thirty-four at Rouyn, eleven at LaSarre, and 9 at Amos, for a total of eighty-nine files.

The first judgment was delivered on June 6, 1972 by Judge Gaston Labrèche of the Provincial Court of the Rouyn-Noranda district in the R - vs - Bordeleau file 23,990 and it pronounced these operations illegal. A second judgment is expected from Judge Georges Blanchard of Rimouski on March 5, 1973 concerning file 26,349 about which evidence was given November 16 and 17, 1972.

Guilt charges were recorded in seventeen of these files and parties were fined $100 plus cost by the Court.

The remainder seventy cases are already registered for investigation and hearing during 1973; thirty-three of them for March 5.

Refusal to comply with the order of the Minister

The refusal of Promotion & Success Limited to comply with the order of the Minister of Financial Institutions, Companies and Cooperatives during the period extending from August 31 to October 1, 1972 lead to 18 proceedings at Rouyn, LaSarre and Amos. Among the six complaints filed at Rouyn, that which contemplated the corporation, bearing number 23,947 and heard on November 30, 1971, was received on April 14,1972 by Judge Claude Bigué of the Provincial Court who imposed a

fine of $500 plus cost. Similar fate met with the complaint concerning the five officers and representatives of the said corporation who were at the same date, and before the same Court, declared guilty and fined $100 plus cost. As for the complaints filed at LaSarre and Amos , they are still pending before the Court.

Refusal to comply with the order of the Court

In the case of the order of the Superior Court enjoining Promotion & Success Limited to cease its operations, the Québec Court of Appeal heard, on October 4, 1972, the appeal of the defendant firm against this order.

Notwithstanding this appeal, four contempt of court actions were taken following the infringement of this order; they were taken at Rimouski, Chicoutimi, Sherbrooke and Trois-Rivières, and the decisions are forthcoming.

CONCLUSION

Following this review of the incidents which attended the coming into force of Section 75 of the Consumer Protection Act, it seems fitting to mention the contribution of the advisory services of the Department of Financial Institutions, Companies and Cooperatives in the matter of legal proceedings initiated before the Courts at Montreal, Chicoutimi and Rimouski.

CHAPTER III

ADMINISTRATION

(1) Personnel

(2) Budget

(1) PERSONNEL

When this report was written, there were 39 authorized posts to meet the operational needs of the Consumer Protection Bureau.

Of these 39 posts, 24 were filled by means of examinations or transfers within the personnel of the Provincial Government. Six employees were hired on a temporary basis to help meet emergencies.

Employees as at December 31, 1972

	Montreal	Québec
Permanent	10	15
Temporary	3	4
	13	19

At present, the Consumer Protection Bureau operates with a staff of 32; of the permanent posts, 15 have yet to be filled. Interdepartmental and public examinations are being conducted for that purpose by the Civil Service Department.

(2) BUDGET

Appropriations voted by the National Assembly have been earmarked for the Consumer Protection Bureau for the fiscal years 1971/72 and 1972/73. Since this report covers the operations of the Bureau from its beginning to December 31, 1972, it seems appropriate to give both budgets.

	1971/72 Budget	1972/73 Budget
Salaries, wages and allowances	$121 600	$245 100
Transportation and communication services	85 000	224 000
Professional, administrative and other services	45 500	47 900
Maintenance and repairs	900	1 700
Materials and supplies	44 500	32 500
Equipment	3 000	8 000
Grants (see Page 50)	50 000	50 000
Other expenses	3 500	1 700
	$354 000	$610 900

The Bureau having developed so rapidly, the 1972/73 budget was revised and increased to $610,900 in order to meet, especially, the salaries of new employees whose posts have been authorized.

GRANTS

Several organizations already active in the field of consumer protection received financial help from the Bureau out of its appropriations. "L'Association Coopérative d'Economie familiale", the Automobile Protection Association, and the Center for Public Interest Law have, among others,been awarded grants from the Bureau during the period under study. (See Schedule "D")

SCHEDULE "D"

GRANTS AWARDED BY THE CONSUMER PROTECTION BUREAU

BUDGET (1972/73)			$50.000
May 25, 1972	Association des Consommateurs du Canada (Québec Section)	$5,000	
Sept. 12, 1972	Association des Anciens de l'Université Laval	750	
Sept. 12, 1972	Association des Coopératives d'Economie familiale Québec	25,000	
Sept. 21, 1972	Center for Public Interest Law	5,000	
Oct. 6, 1972	Automobile Protection Association	5,000	
Nov. 22, 1972	Guides du Canada	2,500	
Nov. 22, 1972	Institut de Promotion des Intérêts du Consommateur	5,000	
Dec. 11, 1972	Pierre Gervais (Comité de la surveillance pour la publicité destinée aux enfants)	1,750	
		$50.000	$50.000

CHAPTER IV

(1) THE CONSUMER PROTECTION COUNCIL

(2) THE COMMITTEE ON ADVERTISING INTENDED FOR CHILDREN

(1) THE CONSUMER PROTECTION COUNCIL

The Consumer Protection Bureau works closely with the Consumer Protection Council, an advisory body which was created under Division IX of the Act and includes 15 members appointed by the Lieutenant-Governor in Council.

When the Consumer Protection Council was set up the members were:

Chairman	Mr. Wilfrid Stebenne Town of Mount Royal Better Business Bureau and Advertising Standards Council
Vice-President	Mr. Laval Grondines Charlesbourg Québec Teachers' Corporation
Members	Mr. J.-André Bellavance Rimouski Board of Trade (Québec)
	Mrs. Cécile Rolland-Bouchard Chicoutimi Fédération des femmes du Québec Conseil d'expansion économique - Canadian Federation of Business and Professional Women's Club (Québec)
	Mrs. Joseph Caron Coaticook Cercle des fermières
	Mr. Ronald Cohen Montreal Automobile Protection Association

Mr.E. Raymond Côté
Québec
Retail Council of Canada
(Québec Division)

Mr. Raymond Girardin
Laval
Canadian Consumer Loan Ass.

Mrs. Dominique Goudreault
Nicolet
Association féminine d'éducation
et d'action sociales

Mrs. Flore D. Jutras
World Association of Women
Executives (Canadian Chapter)

Mrs. Hanna Lambeck
St. Lambert
Consumers Association of Canada

Mr. Clément Mercier
Amos
La Fédération des associations
coopératives d'économie familiale

Mr. Charles Perrault
St. Lambert
Québec Employers' Council

Mr. Yvan-Patrick Phelan
Direct Sellers' Association

Mr. Jacques Towner
Québec
Conseil de la coopération du
Québec and Fédération des
magasins Co-op.

The following members have completed a term of office with the Consumer Protection Council:

Mr. Wilfrid Stebenne
Mrs. Joseph Caron
Mr. Raymond Girardin
Mr. Charles Perrault
Mr. Yvan-Patrick Phelan

they were replaced by:

Mrs. Charles Bernard
5215 Durantaye street
Montreal
Secretary for Le Cercle des
Fermières

Mr. Raymond Blais
Fédération de Québec des
unions régionales des caisses
populaires Desjardins

Miss Simone Bourgeau
2465 St. James St. West
Montreal
Director, Service social de
La Petite Bourgogne

Mr. Guy Dorval
3422 Durocher St. suite 19
Montreal
Better Business Bureau of
Montreal, Inc.

Mr.Leonard Roy
50 Crémazie Blvd. West
Montreal
The Québec Food Council Inc.

The new chairman of the Consumer Protection Council is Mr. Laval Grondines and the new vice-president is Mrs. Cécile Rolland-Bouchard.

The duties of the Council are to study, at the Minister's request, any problem respecting the application of the Act, and to submit reports and suggestions in this respect to the Minister.

Senior officers of the Bureau sit at the monthly

meetings of the Council and report on the operations of the Bureau, especially concerning the processing of complaints received from consumers.

The Council published its report on September 18, 1972.

(2) THE COMMITTEE ON ADVERTISING INTENDED FOR CHILDREN

The Committee on advertising intended for children was created shortly before the coming into force of the regulation respecting advertising intended for children enacted under Section 102 (o) of the Consumer Protection Act, on November 11, 1972. It includes six members, two of them are from the Department of Financial Institutions, Companies and Cooperatives, two from the advertising industry and the last two are from consumer associations.

In fact, the Committee has two main duties: to receive complaints from the public and to analyze, approve or reject material created by advertising agencies before it is released. Above all, this Committee is an operating instrument for the Consumer Protection Bureau which oversees the application of the Act and its regulation.

The role of the Committee therefore is to advise the

Director of the Bureau and the advertising agencies.

The Committee holds weekly meetings. The members are aided by a supplementary group whose duty it is to monitor advertising intended for children.

Advertising agencies may get in touch with the Consumer Protection Bureau at Montreal to have all advertising material examined before it is released to the media. It is required that 6 copies of agency documents and other material and 1 copy of each film be sent to the Committee at least 48 hours in advance of its meetings.

COMMITTEE ON ADVERTISING INTENDED FOR CHILDREN

COMPLAINTS RECEIVED

1 SLINKY	Complaint filed by MAPE (Mrs. M. Vallée) at the 2nd meeting, studied at the 3rd meeting. Complaint referred to the Director. Settled.
2 GRANDMA MOLASSES	Complaint filed by the Center for Public Interest Law at the 3rd meeting, studied at the 4th meeting. Complaint referred to the Director. Settled.
3 TOP THE TOP	Complaint filed by André Labelle at the 4th meeting, studied at the same meeting. Groundless complaint. Settled.
4 VELVET LITTLE SISTER	Complaint filed by André Labelle at the 4th meeting, studied at the same meeting. Groundless complaint. Settled.
5 COLGATE TOOTHPASTE	Complaint filed by MAPE (Mrs. M. Vallée) at the 3rd meeting, studied at the 4th meeting. Groundless complaint. Settled.
6 DULAC & FRITO-LAY	Complaint filed by MAPE (Mrs. M. Vallée) at the 4th meeting.
7 MONTAGE	Complaint filed by the Center for Public Interest Law at the 4th meeting. Text requested and received. Film requested and received.
24 EASY BAKE OVEN	Complaint filed by André Labelle at the 4th meeting. Text and film requested.
33 MARCUS WELBY	Complaint filed by MAPE (Mrs. M. Vallée) at the 3rd meeting, studied at the same meeting. Complaint referred to the Director. Settled.
34 YOGI BEAR	Complaint filed by MAPE (Mrs. M. Vallée) at the 3rd meeting, studied at the same meeting. Complaint referred to the Director. Settled.

COMMITTEE ON ADVERTISING INTENDED FOR CHILDREN

ITEMS SUBMITTED

1001 CAPTAIN CROOK	Item submitted by Dubuisson Publicité at the 3rd meeting, studied at the 4th meeting. Text accepted without change, so was the film. Settled.
1002 MOVIE DIRECTOR	Item submitted by Dubuisson Publicité at the 3rd meeting, studied at the 4th meeting. Exempt under Article 2. Settled.
1003 PADDY WAGON	Item submitted by Dubuisson Publicité at the 3rd meeting, studied at the 4th meeting. Text accepted without change, so was the film. Settled.
1004 GREEN GIANT	Item submitted by Foote, Cone & Belding at the 4th meeting, studied at the same meeting. Accepted on condition that it is not featured in the course of a program intended for children. Settled.
1005 MARS BARS (French)	Item submitted by J. Walter Thompson at the 4th meeting, studied at the same meeting. Accepted on condition that it is not featured in the course of a program intended for children. Settled.
1006 MARS BARS (English)	Item submitted by J. Walter Thompson at the 4th meeting, studied at the same meeting. Accepted on condition that it is not featured in the course of a program intended for children. Settled.
1007 ACTION HOCKEY (Parker)	Item submitted by Publithèque at the 4th meeting studied at the same meeting. Changes required in the text. Exempt under Article 2. Settled.
1008 PHIL & TONY ESPOSITO	Item submitted by Publithèque at the 4th meeting, studied at the same meeting. Accepted on condition that it is not featured in the course of a program intended for children. Settled.
1054 MINI-RAVIOLI	Item submitted by Young & Rubicam at the 2nd meeting, studied at the 3rd meeting. Text and film accepted without change. Settled.

1055 PERSONAGE	Item submitted by Tremblay, Beauvais at the 2nd meeting, studied at the 3rd meeting. Item rejected. Settled.
1056 EATON'S TOYLAND (French)	Item submitted by Gilles Mercier at the 2nd meeting, studied at the 3rd meeting. Accepted on condition that it is not featured in the course of a program intended for children. Settled.
1057 EATON'S TOYLAND (English)	Item submitted by Gilles Mercier at the 2nd meeting, studied at the 3rd meeting. Accepted on condition that it is not featured in the course of a program intended for children. Settled.
1058 TRULINE	Item submitted by Eaton's at the 2nd meeting, studied at the 3rd meeting. Text and film accepted without change. Settled.

CHAPTER V

INTERGOVERNMENTAL EXCHANGES

(Participation in conferences)

INTERGOVERNMENTAL EXCHANGES

Long before the Consumer Protection Act came into force, the Department of Financial Institutions, Companies and Cooperatives sent representatives to every interprovincial and federal-provincial conference on consumer affairs. This participation proved very useful when preparing the Québec act which is today considered by other provincial jurisdictions as one of the most adequate; several provinces have followed certain provisions of our Consumer Protection Act to amend their legislations.

These conferences mostly aim to standardize the different legislations in the hope of protecting the consumer better.

Interprovincial and Federal-Provincial
conferences as at December 31, 1972

Toronto	June 10, 11, 12 and 13, 1968
Ottawa	October 28, 29 and 30, 1968
Ottawa	October 31 and November 1, 1968
Ottawa	May 20, 1969 (meeting)
Ottawa	September 2, 1969 (meeting)
Toronto	April 20 and 21, 1970
Toronto	November 26 and 27, 1970
Ottawa	May 25 and 26, 1971
Québec	June 14 and 15, 1971
Victoria	September 25, 26 and 27, 1972

On June 14 and 15, 1971, the Consumer Protection Bureau received the members of an interprovincial conference on legal administration. This conference held in Québec city lasted two days and all provinces were represented except British Columbia whose representative could not attend because of the centennial celebrations in this province.

Following this conference, sub-committees were created to study certain aspects of the provincial legislations especially in the field of banking operations contemplated by the Act. Senior officers of the Bureau were invited to sit on these sub-committees and the secretary of the Consumer Protection Council was called upon to preside over the Banking Committee.

CHAPTER VI

CONCLUSIONS

CONCLUSIONS

Since July 14, 1971, Québec has a Consumer Protection Act. This legislation having provided for the creation of the Consumer Protection Bureau, it goes without saying that the Bureau must abide by the legislative requirements as they are defined in the Act. Conscious of its responsibilities, the Bureau will have to use all possible means to reach the goal set by this legislation.

With the help of a competent per sonnel and with proper budgets, two essential tools, the Bureau will be able to discharge the duties and fulfill the work it has been assigned under Section 79 of the Act, namely:

(a) to supervise the application of the Consumer Protection Act and the regulations and to receive complaints from consumers respecting infringements of this Act and the regulations;

(b) to protect, educate and inform consumers on matters of consumer protection;

(c) to carry out studies and make recommendations to the government respecting consumer protection;

(d) to promote and subsidize the establishment and

development of consumer protection services or bodies and to cooperate with such services or bodies;

(e) to cooperate with the various departments and governmental bodies of the province of Québec in matters of consumer protection and to coordinate the work done by such departments and bodies for such purpose;

(f) to cooperate with the departments and services of the federal government and of the governments of the other provinces entrusted with consumer protection.

Niquette Delage
Director

Québec, December 31, 1972